MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2016/2017

BMG3024 - CROSS CULTURAL MANAGEMENT

(All Sections / Groups)

13th October 2016
2.30pm-4.30pm
(2 Hours)

INSTRUCTIONS TO STUDENTS:

1. This question paper consists of **TWO (2) SECTIONS** and **4** pages (inclusive of the cover page).

2. **SECTION A** is Case Study (worth 40 marks). **Answer ALL questions.**

3. **SECTION B** contains THREE (3) essay questions. **Answer ALL questions** (worth 60 marks). Write your answers in the *Answer Booklet* provided.

SECTION A- Case Study (40 MARKS): Answer ALL Questions

Aditya Birla Group: Global Vision-Indian Values

In 2008, the Aditya Birla Group (ABG) was a US$28 billion corporation. It employed 100,000 people belonging to 25 nationalities and over 50% of its revenues were attributed to its overseas operations in countries like the US, UK, China, Germany, Hungary and Brazil among others.

The group's product portfolio comprised Aluminum (Hindalco-Indal), Copper(Birla Insulators (Birla NGK Insulators Pvt Ltd), Viscose Filament Yarn(Indian Rayon and Industries Ltd), Carbon Black(Birla Carbon), Insurance (Birla Sun Life Insurance Company Ltd), Telecommunications (Idea Cellular Ltd) and BPO (Minacs Worldwide Ltd).

In 2007, the group acquired Novelis Inc. the Atlanta (US)-based aluminum producer to become the largest rolled-aluminum products manufacturer in the world. The group had also acquired a majority stake in Indal from Alcan of Canada in the year 2000, and this has positioned it in the value-addition chain of the business, from metal to downstream products. Birla Copper enjoyed a good market share in the country and the acquisition of mines in Australia in the year 2003 elevated it to an integrated copper producer. Indo-Gulf Fertilizers possessed a brand that commanded strong cash flows and a leadership position in the fertilizer industry. The group had entered into a 50:50 joint venture with NGK Corporation of Japan for its insulation division in 2002. This was expected to provide ABG access to the latest in product and manufacturing technology for the insulators division and also to open up the path to global markets. In 2006, the group purchased the equity holding of NGK and made the venture its subsidiary. A Group company, Birla Sun Life, offered insurance and mutual fund products in the Indian market. In 2006, the group acquired Minacs Worldwide, a BPO company and acquired a Tata's stake in Idea Cellular. In 2007, the group acquired Trinethra, a chain of retail stores.

Analysts felt that the group's ability to grow has stemmed largely from the emphasis placed on building meritocracy in the group. Under the leadership of Kumar Mangalam Birla (Birla), several initiatives were taken with the focus on learning and relearning, performance management and organizational renewal. Birla also instituted steps to retire aged managers and replaced them with young managers, who came in with fresh and 'out of box' ideas.

AGB instituted Gyanodaya, the group's learning center, to facilitate transfer of best practices across the group companies. The training methodology comprised classroom teaching and e-learning initiatives and training calendar was accessible to the group employees through company-wide intranet.

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The company also put in place 'The Organizational Health Survey" aimed at tracking the satisfaction levels of the group's managers. The survey was seen as a gauge ABG becoming one of the preferred employees in Asia. Toward performance management, the group has instituted the Aditya Birla Sun awards to recognize the success of the group companies. This resulted in information sharing and encouraged healthy competition among these companies.In addition, to the stunning growth of ABG, Kumar Mangalam Birla has taken steps to root the company in its heritage and give back to India. Its mission in that regard is evidenced in the website description of its activities.

Source: International Management Managing across Borders and Cultures-Helen Deresky, Pearson, Seventh edition, pp-266-267.

From the above case study answer the following:

Question 1

a) Critically analyse the growth strategy adopted by Aditya Birla Group. What are your views on the business portfolio adopted by the group? (12 marks)

b) Analyse the initiatives taken by the group on the personnel and culture front under the leadership of Kumar Mangalam Birla. (16 marks)

c) Discuss how ABG has addressed the second part of its mission-"Indian `Values." (12 marks)

[40 marks]

SECTION B (60 MARKS): Answer ALL questions.

Question 1

a) Give five detailed recommendations for Multinational companies that are interested to operate their business in developing countries. (10 marks)

b) Culture has considerable effect on management practices. Explain convergence, self- reference criterion, parochialism and ethnocentrism. (10 marks)

[20 marks]

Question 2

Discuss the preparation and exchanging task-related information stages involved in the negotiation process. **[20 marks]**

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Question 3

Internal and competitive analysis is an important step involved in developing global strategies. Explain how it is conducted. **[20 marks]**

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